

On Listening to Your Mother

And

Not Eating the Marshmallow

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I was very privileged a few days ago to listen to a diverse group of people speak passionately and informatively about future “People Strategies” for Asia. Among the speakers and participants were national leaders including the Prime Minister of Singapore and the Singapore Minister of Trade and Industry; global CEO’s of companies such as Aon and Kikkoman; the heads of Ayala and the DBS Group; regional heads of P&G and Unilever (in the same room, at that!) and many other business leaders, HR heads, professors and consultants. I refer, of course, to the annual Singapore Human Capital Summit, held on September 29-30 at the Raffles Convention Center in Singapore.

I don’t know about you, but I get cranky when speakers sound like they just discovered Asia on a map, or they just worked out this thing called PPP which shows that Asia’s much more important than you might think – much more. There was refreshingly little of that at the Summit. Nor did speakers belabor the obvious about human capital. They assumed that, if you needed to be told that people were important, you probably needed a manual on how to use your opposing thumb – again very refreshing.

Most speakers focused on the “what” and the “how”. What were likely to be successful people strategies of the future in Asia, and how could companies implement these strategies? The following are some key observations from the Summit that stood out for me, though I am almost certainly doing an injustice to the wealth of knowledge that was on display.

I discovered to my horror that there are many people – even men – who do not listen to their mothers. This shook me to the core. I mean, I understand Facebook and Twitter, but I hadn’t realized that things had come to quite this pass. I was about to remonstrate in no uncertain terms with the speaker but he disarmed me with his wit and calm demeanor. Apparently, this is the true meaning of diversity. Companies find it possible to have both people who do not listen to their mothers, and the vast majority that do, in the same company, doing the same jobs and even on the same teams.

These companies are very clever. They segment their employees quite carefully based on their aspirations and values (or lack thereof), and devise different engagement strategies for different segments. The company that won the inaugural Asian Human Capital Award, Accenture India, spoke at length on how they kept pace with personnel growth of 30 percent each year for several years. They could only do it, they said, if they treated people not the same, but differently. They understood that people joined them with widely varying hopes for growth. Hence Accenture needed to be agile in ensuring that their policies could meet the needs of very diverse groups.

I also learned that companies shouldn’t focus too much on individuals – leaders, high-potentials or others. Apparently experiments showed that when people in otherwise peaceful groups were told that they were the leaders of the group, they promptly started eating more cookies than the rest, ate with their mouths open and generally made more of a nuisance of themselves than they had previously. Companies are better off focusing on teams instead of individuals. This results in more aligned and harmonious organizations (and less cookie crumbs).

Manchester United can be useful in more ways than reducing traffic on Singapore's roads when they play against Chelsea. This surprised me. Greg Case, the CEO of Aon Corporation, told us that Aon decided to put their name on Manchester United's shirts because they would instantly be identified with another global brand. Though Aon was headquartered in Chicago, they felt identifying with a football team such as United would demonstrate both internally and externally that they were serious about their global credentials. It occurred to me that it might also help their morale to be associated with a team that actually wins things, unlike some teams from Chicago who haven't won in a hundred years.

Finally, I learned some fascinating things about children and marshmallows. A study discovered that there are two kinds of children below the age of four – normal ones that eat a marshmallow the moment it is put in front of them, even though they are told that they can get two if they wait. This is because most normal kids at the age of four cannot count beyond one, so the concept of two is theoretical. These kids then grow up to become normal people with the same proportions of drug addicts and high school drop outs as the normal population. Then there are those who do not eat the marshmallows. These people learn to stack their clothes in very neat piles and become professors of psychology. This is cheaper than paying for psychologists to treat the deeply-rooted trauma that comes from resisting marshmallows when you are four years old.

The implications are several. Our natural instincts are not very reliable when it comes to decisions about human capital (they tend to favor eating the marshmallows, Oreo cookies and other treats in front of us). But people decisions are the most important decisions for any organization – though not always in the ways you expect. It is more important to make sure you don't hire a jerk, than you do hire a genius. Apparently getting rid of the jerks in your organization can have many times the positive impact on productivity, as finding a genius for the job of leader. In any event, it's best not to base these decisions on instincts, but on systematic processes that reduce biases.

The big takeaway for me, though, was the incredible number of experiments conducted by SME's, regional firms and MNCs in Asia on how best to attract, retain and leverage human capital. Few seemed to be waiting for a guru to come and solve their problems – they were building on approaches that worked, discarding those that didn't and otherwise innovating ways to leverage the most important form of capital they possessed – their human capital.

What can I say? You had to be there.